Board Action and Executive Summary

Item # E Resolution#_____

For Meeting of November 5, 2010

TITLE: **NCRTD MARKETING/ADVERTISING POLICY**

PURPOSE(S) OF ACTION: To adopt an Advertising Policy to generate revenues to support promotional activities offered by the NCRTD, the NCRTD may offer space on NCRTD-owned property, as permitted by law, for local, regional, and national advertising opportunities.

Name of Drafter: **CHRISTINA CORDOVA**		**Department:** **ADMINISTRATIVE**		**Phone:** **575-779-5265**	
Department	**Signature**	**Phone**	**Department**	**Signature**	**Phone**
Staff Sponsor		575-779-5265	MARKETING		

BACKGROUND / KEY ISSUES / CONTRIBUTING FACTORS: The Advertising Policy would serve as direction for the NCRTD in future advertising opportunities. It would also enable the Director of Marketing & Communications and the Executive Director to enter into Agreements with Advertising Firms, Marketers to promote the NCRTD and to enhance our advertising budget by increasing our cash revenues by generating advertising such as bus wraps on the buses and advertisements on the bus shelters, and any owned property by the NCRTD.

SUPPORT INFORMATION: Other Transit Entities in the State have adopted an Advertising Policy for their organization. Many are currently advertising on their buses and shelters and are generating funds to help support their marketing efforts.

(Continue on additional sheets as required)

North Central Regional Transit District

Effective Date: ____
Subject: **COMMERCIAL ADVERTISING ON NCRTD PROPERTY**

I. PURPOSE OF POLICY

To generate revenues to support the promotional activities offered by the North Central Regional Transit District, the NCRTD may offer space on NCRTD-owned property, as permitted by law, for local, regional, and national advertising opportunities.

This policy specifically addresses cash revenue-generating advertising opportunities on NCRTD owned properties. Earned revenues will be used by the Director of Marketing & Communications and Executive Director's direction toward funding any promotional/advertising programs.

Definitions

"Advertising" means the purchase of space on NCRTD property to propose a commercial transaction for good or services.

"Sponsorship" means financial or in-kind support for specific events.

"Commission" means financial compensation paid to the NCRTD calculated as a lump sum, per-unit, or percentage of the amount received from sale of goods or services related to specific events at NCRTD owned property.

"District" refers to NCRTD operating entities that may include several "Cities/Counties" that share similar elements in their service functions; an example of a District would be the NCRTD membership.

"Property" may include NCRTD-owned vehicles, equipment, shelters, signs, facilities, structures and buildings.

"Trade-outs" are exchanges for services such as passes and memberships for advertising spaces, commercials, and partnerships.

"Policy

- The Director of Marketing & Communications or Designee may seek designation of space as appropriate and available on NCRTD-owned property under his or her management for advertising and the value of the space.
- A request for such a designation will be forwarded to the Executive Director for approval.
- When the Executive Director approves the designation of space as appropriate and available on NCRTD-owned property for advertising, the Director of Marketing & Communications and the Executive Director will determine the optimal method for implementing an advertising program. It is anticipated that in most cases, management of departmental advertising programs will be accomplished by entering into agreements with a private advertising contractor. This does not preclude the option of managing an advertising program in-house.
- Agreements and contracts for advertising space, trade-out, and commissions must follow the requirement of State of New Mexico Procurement Code, State of New Mexico Statues and Federal law.
- This policy does not require that the NCRTD grant all requests to permit advertising on any NCRTD-owned property. Such programs will be conducted solely at the discretion and determination of the North Central Regional Transit District.

II. TRADE-OUTS

Trade-outs will be allowed upon the approval of the Director of Marketing & Communications, Executive Director and the Board of Director's. If advertising is managed by a contractor, provisions for trade-outs, if desired, must be included in the contract. Trade-outs for advertising will be allowed on a dollar for dollar value basis.

III. ADVERTISING VALUES

The subject matter of all advertising shall be limited to speech which proposes solely a commercial transaction for goods and services. The advertisements must contain only expressions related to the economic interest of the advertiser and its audience.

If the advertising program permits specific opportunities for non-commercial advertising, such as making available a stated percentage of space for public service announcements (PSAs) and/or offering reduced rates for program advertising to non-profit agencies, that advertising shall not contain offers to *purchase* any item or service. If the non-profit agency offers items or services available for purchase, the standard advertising rates would apply.

Advertising and marketing opportunities and associated agreements must align with these values:

- Opportunities for external parties to participate in commercial advertising will be fair.
- Advertising agreements comply with applicable federal, state, and local laws and ordinances.

- Advertisers will uphold community values and abide by federal, state, and local laws/ordinances.
- Advertisements cannot promote a commercial transaction that is expressly prohibited by federal, state or local law or regulations
- Advertisers may not convey or present, obscene, vulgar, profane, demeaning, derogatory, or inflammatory messages or concepts which offend prevailing community values.
- Advertisers' promotional materials and/or claims may not include false, misleading, or deceptive claims.
- The NCRTD retains the right to control placement, content, appearance, and wording of advertising messages.
- Commercial advertisements must not imply the NCRTD's endorsement of any product, service, company, or person.

IV. NON-PERMISSIBLE ADVERTISING

In general, advertising shall not be accepted for advertisements promoting:

- Tobacco-related products
- Alcohol-related products
- Pornography, sexual products
- Gaming/gambling
- Weapons/firearms/violence
- Candidates for political office, political parties or ballot issues

Exceptions that do not violate NCRTD policy may be approved by the Executive Director.

V. BUDGET PROCESS

Revenue from advertisements and commissions shall be reflected as revenue for the initiating NCRTD's marketing and advertising budget. Only guaranteed advertising revenues – such as the revenue commitments in a multi-year advertising agreement – should be included in the fiscal year budget.

Prior to a mid-year budget adjustment, advertising revenue projections will be assessed by NCRTD and, if necessary, a Budget Adjustment Request (BAR) will be initiated.

Advertising revenues are additional revenues for the NCRTD's marketing and advertising budget. The NCRTD's approved budget is not decreased by amount of advertising revenues.

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Josette P. Lucero, MAOM
Executive Director

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Date